

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Mines & Minerals - M/s. AP State FiberNet Ltd. (APSFL) – Term Loan from Bank/Financial Institutions and to arrange an interest free loan of Rs. 100 Crores to APSFL from M/s. AP Mineral Development Corporation Ltd. (M/s. APMDC Ltd.) towards margin money for procurement of Customer Premises Equipment (CPE) Boxes – Orders – Issued.

INDUSTRIES & COMMERCE (M-II) DEPARTMENT

G.O.RT.No. 73

Dated: 01-03-2017

Read the following:

1. G.O.Rt. No. 161, Energy, Infrastructure & Investment (Airports) Dept., Dt. 22.11.2016.
2. From the MD, M/s AP State FiberNet Ltd. (APSFL), Lr., No. APSFL/Budget Estimates/16/2015, Dt. 23.11.2016.
3. Govt. Lr., No. 20631/M.II(1)/2016, Dt. 16.12.2016 of I&C Dept.
4. From the APMDC, Lr., No. APMDC/F&A/APSFNL/2016-17/2289, Dt.31.12.2016.
5. From the VC & MD, M/s. APMDC Ltd., Lr., No. APMDC/Loan to APSFL/2016-2797, Dt. 08.02.2017.

ORDER:

In the G.O 1st read above, after examining the request of M/s AP State FiberNet Ltd. (APSFL), Government in Energy, Infrastructure & Investment Department issued orders approving the following proposals:-

- (a) To provide Government Guarantee for taking term loan of Rs.300 Crores from the Banks / Financial Institutions.
- (b) To exempt the payment of Guarantee Commission @ 2% on the guaranteed amount to the government for the investment in Guaranteed Redemption Fund.
- (c) The Department of Mines and Geology to arrange an interest free loan of Rs.100 crores to APSFL from APMDC towards the margin money for the proposed procurement of 10 lakh sets of CPE boxes.

2. Subsequent to the above Government Order, M/s. APSFL in the letter 2nd read above, while providing the following proposed repayment schedule of interest free loan, has requested the Government (Ind. & Com. (Mines Dept.)) for arranging Rs. 100 Cr. as interest free loan from APMDC Ltd. to APSFL, to be repayable in a period of 5 years:-

Sl. No	Year	Proposed Repayment Details
1	First Year (2017-18)	Deployment of CPE Boxes through the business partners of APSFL (i.e. MSOs / LCOs) across the state and spreading of Commercial Public Services of APSFL is planned to be done during this period. Hence, moratorium on repayment during the first year is proposed.
2	Second Year (2018-19)	Repayment of Loan of Rs. 20 Crores
3	Third Year (2019-20)	Repayment of Loan of Rs. 25 Crores
4	Fourth Year (2020-21)	Repayment of Loan of Rs. 25 Crores
5	Fifth Year (2021-22)	Repayment of Loan of Rs. 30 Crores
	Total	Rs. 100 Crores

(P.T.O)

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3. In the letter 4th read above, the APMDC Ltd., have stated that the APMDC Board noted that pursuant to the provisions of Section 186 (7), such loan shall only be given at a rate of interest which is not lower than the Government securities of same tenor prevailing in the Market. It was also brought to the notice of the Board that the provisions of section 186 of the Companies Act, 2013 are not applicable to a Government company provided it gets an order for such lending from the administrative department of the Government of Andhra Pradesh.

4. The Vice Chairman & Managing Director, M/s. APMDC Ltd. has further stated that the APMDC Board has resolved to grant a Loan of Rs. 100 Crores to AP State FiberNet Limited (APSFL), at an interest rate of Rs. 7% P.A., as APSFL is a commercial undertaking, stating that the Board noted that pursuant to the provisions of Section 186 (7), such loan shall only be given at a rate of interest which is not lower than the Government securities of same tenor prevailing in the Market, which will comply the provisions of Companies Act, 2013 as well as avert possible audit paras by Accountant General's Audit.

5. In the letter 5th read above, the Vice Chairman & Managing Director, M/s. APMDC has requested the Government to issue administrative orders for release of Rs. 100 crores to AP State FiberNet Limited (APSFL).

6. After careful examination of the matter, the Government hereby approve for arranging Rs. 100 crores to AP State FiberNet Limited (APSFL) from M/s. AP Mineral Development Corporation Ltd. (M/s. APMDC Ltd.), as an interest free loan towards the margin money for the proposed procurement of 10 lakh sets of CPE boxes.

7. The Vice Chairman & Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited, Hyderabad shall take necessary action in the matter accordingly.

8. This order issues with the concurrence of Finance Department vide their U.O.No.45027/10/2017, dated:23.01.2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SREEDHAR
SECRETARY TO GOVERNMENT (MINES)

To
The VC & MD, M/s. AP Mineral Development Corporation Ltd. (M/s. APMDC Ltd.),
Hyderabad.

The Managing Director, Andhra Pradesh State FiberNet Limited,
Plot No. 5,6,15 & 16, 1st Floor, KKR Square, Kavuri Hills, Phase-I,
Jubilee Hills, Hyderabad – 500 033.

Copy to:

The Director of Treasuries and Accounts, Ibrahim Patnam, Krishna District.
The Accountant General, A.P, Hyderabad.
The P.S to Prl. Secretary to C.M.
The P.S. to M(M&G).
The P.S to Secretary (Mines)
The Energy, Inf. & Inv. Dept.
The Finance Department
Sf/Sc (C.No.20631/M.II/2016)

//Forwarded:: By Order//

SECTION OFFICER